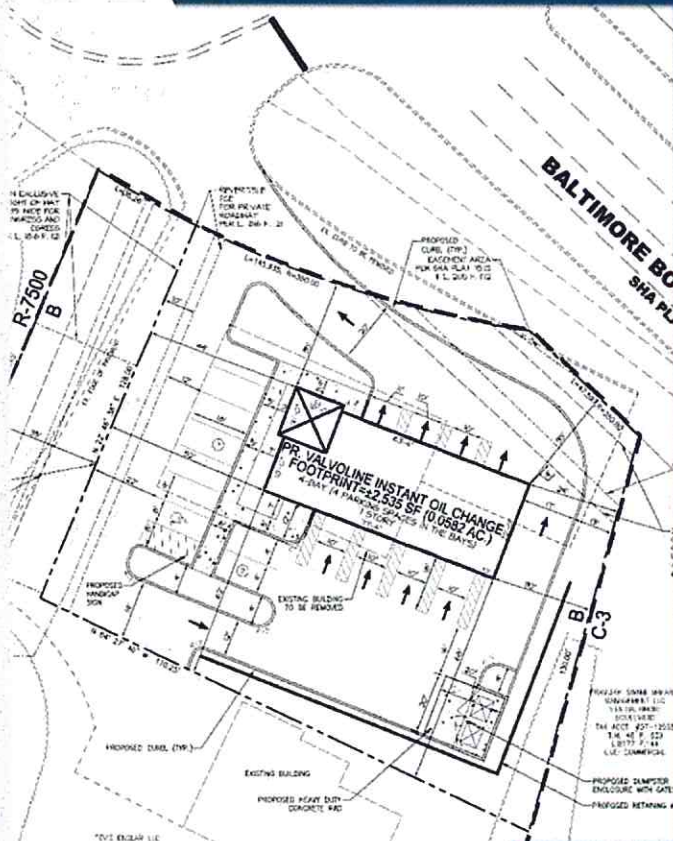




Proposed Drive-Through Oil Change Facility
334 Gorsuch Road
Westminster, Maryland



valbridge.com

FOR
Mid-Atlantic Lubes LLC
54 Jaconnet Street
Newton Highlands, Massachusetts 02461

BW01-20-0069

April 16, 2020

Mr. Randy Kazazian
Mid-Atlantic Lubes LLC
54 Jaconnet Street
Newton Highlands, Massachusetts 02461

**Subject: Proposed Drive-Through Oil Change Facility
Westminster, Carroll County, MD - Need Analysis**

Dear Mr. Kazazian

Enclosed please find Valbridge Property Advisor's (Valbridge) analysis of the need for the proposed development of a drive-through automotive quick lubrication vehicle shop to be located at 334 Gorsuch Road in the City of Westminster in Carroll County, Maryland. The analysis has been conducted in connection with your petition for a special exception to permit an automobile service station on that property.

We find that that the proposed drive-through oil change facility will serve an unmet public need for expedient oil change services. The enclosed report summarizes our reasoning process.

It has been a pleasure working with you on this project. Please call me at (443) 333-5521 should you have any questions or comments.

Respectfully submitted,
Valbridge Property Advisors |
Baltimore Washington Metro



Edward M. Steere, AICP
Managing Director

PROPOSED OIL CHANGE FACILITY NEED ANALYSIS

Executive Summary

Valbridge Property Advisors has been engaged by Mid-Atlantic Lubes LLC in connection with its petition to the Westminster City Board of Zoning Appeals for a special exception permitting the development of a drive-through quick lubrication vehicle shop at the property located at 334 Gorsuch Road. We have examined evidence of the public need for a drive-through oil change facility at this location. Presentation of sufficient evidence of public need for the use is required before a special exception for that use can be granted.

Valvoline Oil Change Facility

The subject will be a redevelopment of a vacant veterinary hospital on the southern side of Baltimore Boulevard (MD-140) in the City of Westminster. The proposed improvements to the site include a new, four-bay drive-through quick lubrication vehicle shop roughly 2,535 sq. ft. in size with appropriate parking spaces.

The Maryland Department of Transportation State Highway Administration published an estimated annual average daily traffic (AADT) count in 2018 on MD-140 passing the subject location as 53,360 AADT. Along Gorsuch Road to Manchester Avenue, AADT was 2,920 in 2018. This site is located in the center of the City of Westminster's primary retail corridor, offering an opportunity to link an expedient visit to the quick lubrication vehicle shop facility with trips to other commercial opportunities in the area.

Supply/Demand Issues

- **Trade Area** – We have defined the subject fueling station's trade area as the area centered on Westminster and the MD-140 commercial corridor, drawing commuters and consumers from residential communities throughout central Carroll County to the regional center of the County seat of Westminster.
- **Trade Area Residents** – The trade area is populous and is expected to grow by approximately 1.4% through 2024. Its households are relatively affluent for the Baltimore MSA. The Census Bureau's American Community Survey for 2013-2017 estimates that there are 2.2 vehicles per household on average and more than one-third of workers commute more than 45 minutes to work.

- Trade Area Demand – The defined trade area extending outwards from the City reasonably contains the majority of commuters and consumers who are likely to travel through or do their shopping in the City of Westminster. Realistically, residents of other areas may also avail themselves of the broad variety of offerings in the City. In 2020, we estimate that trade area households are annually spending an aggregate of approximately \$3.6 million on lubrication/oil change services (\$143 per household). Our estimate is conservative as it only includes households residing in the trade area and also excludes expenditures attributable to commercial vehicles.
- Competitive Supply – Although there are a variety of businesses which meet the definition of an automobile service station use throughout the City and County, most are not directly comparable to the subject. Modern oil change facilities such as the subject generate their revenue primarily from oil change services and have been designed in a manner which minimizes the time spent working on each vehicle. Dual profit centers such as a full-service garage and tire shop are less likely to see their customers at regular intervals and typically require scheduled appointments and have parking designed to accommodate vehicle drop offs.
 - Westminster Trade Area Supply – Including only those establishments which follow the Institute of Traffic Engineers' (ITE) classification of a Quick Lubrication Vehicle Shop we find that there are three other facilities located throughout Carroll County. All the properties operate under the Jiffy Lube brand and only one of the facilities is located within the trade area boundaries. Given the geographic scale of the County each facility effectively services a different target market.
 - Current Performance – Without exact sales figures or information regarding what proportion of sales are directly attributable to oil change services at each location, we have estimated the overall capacity of the three existing facilities under the assumption that each is operating at maximum efficiency. We find that the one Jiffy Lube within the trade area has the capacity to perform approximately 29,536 per year.
 - Unmet Demand – There are an estimated 25,398 households currently residing in the Westminster trade area. Trade area residents had an average of 2.2 vehicles available per household (55,876 vehicles), more than one-third had commutes in excess of 45 minutes and more than half worked outside of Carroll County. Under any scenario, we believe that the single Jiffy Lube location at 385 N Center Street is unable to accommodate the entirety of public demand for expedient oil change services. Even under the most optimistic performance assumptions which would reduce service times to fifteen minutes per vehicle and double the capacity of this sole facility, there would still be a shortfall of two to four required oil changes by each household annually.

Conclusions

Valbridge concludes, therefore, that the development of the subject will be convenient and serve the needs of households within the City of Westminster as well as those in surrounding areas. As it stands, trade area households are being forced to have their oil change service needs fulfilled at full-service garages and tire shops due to a lack of available capacity at quick lubrication shops. There have been zero quick lubrication shops built in the last decade and the existing locations throughout Carroll County effectively serve different target markets.

The existing capacity for quick oil change services within the trade area is estimated at 29,536 oil changes per year. Capacity doubles under the most optimistic assumptions, however this level of supply still restricts trade area households to one oil change per year if they wish to visit the same location. The subject would be an expedient alternative in comparison to the full-service garages and tire shops which are currently absorbing this unmet consumer demand as the only choice by default. Further, this site is a previously developed commercial corner and the use will not detract from the community or regulatory planning concepts in any way.

Impact on Value

The activity proposed for this land use offers no more inherent adverse impact on the adjacent land uses, than it would at any other location along this strip or anywhere else in this particular zoning district. This use is appropriate for the site based on the 2009 Westminster Comprehensive Plan and also the 2014 Carroll County Master Plan, as amended. This site was previously a commercial use and there are other high-traffic existing commercial uses in the neighborhood (ice cream, gasoline station, restaurants, tobacco store, motel, shopping centers, etc. – there is no means by which it could be discerned that this proposed use would have any more adverse effect than any other existing use in the community.

COVID-19

The global outbreak of a "novel coronavirus" known as COVID-19 was officially declared a pandemic by the World Health Organization (WHO). It is currently unknown what direct, or indirect, effect, if any, this event may have on the national economy, the local economy or the market in which the subject property is located. The reader is cautioned, and reminded, that the conclusions presented in this needs analysis apply only as of the effective date(s) indicated. The analyst makes no representation as to the effect on the subject property of this event, or any event, subsequent to the effective date of the study.

I. INTRODUCTION

Valbridge Property Advisors has been engaged by Mid-Atlantic Lubes LLC in connection with its petition to the City of Westminster Board of Zoning Appeals for a special exception permitting the development of an oil change facility at the property located at 334 Gorsuch Road at the intersection with Baltimore Boulevard (MD-140) in the City of Westminster, Carroll County, Maryland.

Purpose of Assignment

This site consists of a single half acre parcel currently zoned for commercial use. The proposal is to demolish the existing building on the site and build a four-bay drive-through quick lubrication vehicle shop with appropriate parking spaces. It is assumed that Mid-Atlantic Lubes LLC may prefer a modified site plan, but development will generally be in context with the current concepts.

Valbridge Property Advisors has been engaged to examine evidence of the public need for an oil change facility at this location. Presentation of sufficient evidence of public need for the use is required before a special exception for that use can be granted. In regard to the oil change facility, the City of Westminster Zoning Ordinance – among other provisions – requires that:

(4) The evidence of record establishes that for the public convenience and service a need exists for the proposed use due to an insufficient number of similar uses presently available to serve existing population concentrations in the City and the use at the location proposed will not result in a multiplicity of proposed uses. In the absence of convincing evidence to the contrary, the following shall constitute lack of probability of a reasonable public need:

(a) An automobile service station within one mile on the same side of the road, except at intersections.

(b) The presence of two service stations within the four quadrants of an intersection, including ½ mile from the center of the intersection in any direction.

(Article XX, §164-149.A.)

For purposes of this analysis, we have considered public need/necessity to mean “expedient of reasonably convenient and useful to the public” (as defined in *Lucky Stores, Inc. v. Board of Appeals*) and “convenient, useful, appropriate, suitable, proper or conducive to the public in the surrounding area” (as defined in *Baltimore County Licensed Beverage Association, Inc. v. Kwon*). In this case, we consider a drive-through oil change facility to be accommodating to the public need when it meets the demand of the public living and working within a reasonably defined trade area for oil change services, as analyzed according to standard market research methodologies.

Scope of Work

In conducting this analysis Valbridge has accomplished the following tasks:

- Inspected the subject site and neighborhood;
- Reviewed the subject’s site plan;
- Defined the subject’s surrounding geographic trade area;
- Consulted demographic and economic data for the trade area produced by ESRI (Environmental Systems Research Institute, Inc.) based on U.S. Census information, and others;
- Inspected similar drive-through oil change facility properties in the trade area;
- Estimated the scale of demand for oil change services within the defined trade area and arrived at certain conclusions.

Organization of Report

Following this Section I, Valbridge’s report is organized in three sections as follows: Section II, site and location analysis; Section III, need analysis; Section IV, survey of nearby competitive supply; Section V, conclusions.

Qualifications of Consultant

Valbridge is the largest independent real estate valuation firm in the continental United States, with 70 offices and more than 675 employees, of which more than 200 are MAI appraisers. We have experience and data on all types of real estate, including special purpose and portfolio assignments.

The principal-in-charge of this assignment has been Edward Steere, AICP, Managing Director. He has 30 years of real estate development, finance and consulting experience. Most relevant to this assignment, Steere has successfully completed feasibility assessments for commercial opportunities throughout Maryland. Additional information on the firm and Steere are found in Appendix A at the end of this study.

II. SITE LOCATION ANALYSIS

In this section, Valbridge describes the proposed drive-through quick lubrication vehicle shop location, its access and surroundings in order to establish its positioning within its trade area and competitive environment generally.

A. SITE DESCRIPTION

The proposed drive-through quick lubrication vehicle shop is located on a half-acre parcel in the business zone on the southern side of Baltimore Boulevard (MD-140). The property is presently improved with a vacant veterinarian hospital building of approximately 3,621 square feet which was built in 1965 along with sixteen parking spaces. There is a single access point on Gorsuch Road at the northwest corner of the site. The intersection of Gorsuch Road and Baltimore Boulevard is signalized.



The proposed improvements to the site include the construction of a four-bay drive-through quick lubrication vehicle shop with appropriate parking spaces. The facility will be 2,535 square feet and will have a small area set aside for office purposes. It is assumed that Mid-Atlantic Lubes LLC may prefer a modified site plan, but development will generally be in context with the current concepts shown on the following page:



The topography of the site is generally sloped where the existing veterinary office is located. The land will be regraded with development to acquire reasonable access and final elevation grades.

B. SITE ACCESS

The subject property has excellent frontage on the south side of Baltimore Boulevard (MD-140), which is a multi-lane highway through this area with a continuous central median. Traveling in both directions on MD-140 to the intersection with Gorsuch Road there are three through lanes, one right-turning lane and one left-turning lane. Gorsuch Road is a two-lane road at the site's existing access point. The existing curb cuts on Gorsuch Avenue will be retained. The Maryland Department of Transportation State Highway Administration published an estimated annual average daily traffic (AADT) count in 2018 on MD-140 passing the subject location as 53,360 AADT. Along Gorsuch Road to Manchester Avenue, AADT was 2,920 in 2018. This site is located in the center of the City of Westminster's primary retail corridor, offering an opportunity to link an expedient visit to the oil change facility with trips to other commercial opportunities in the area.

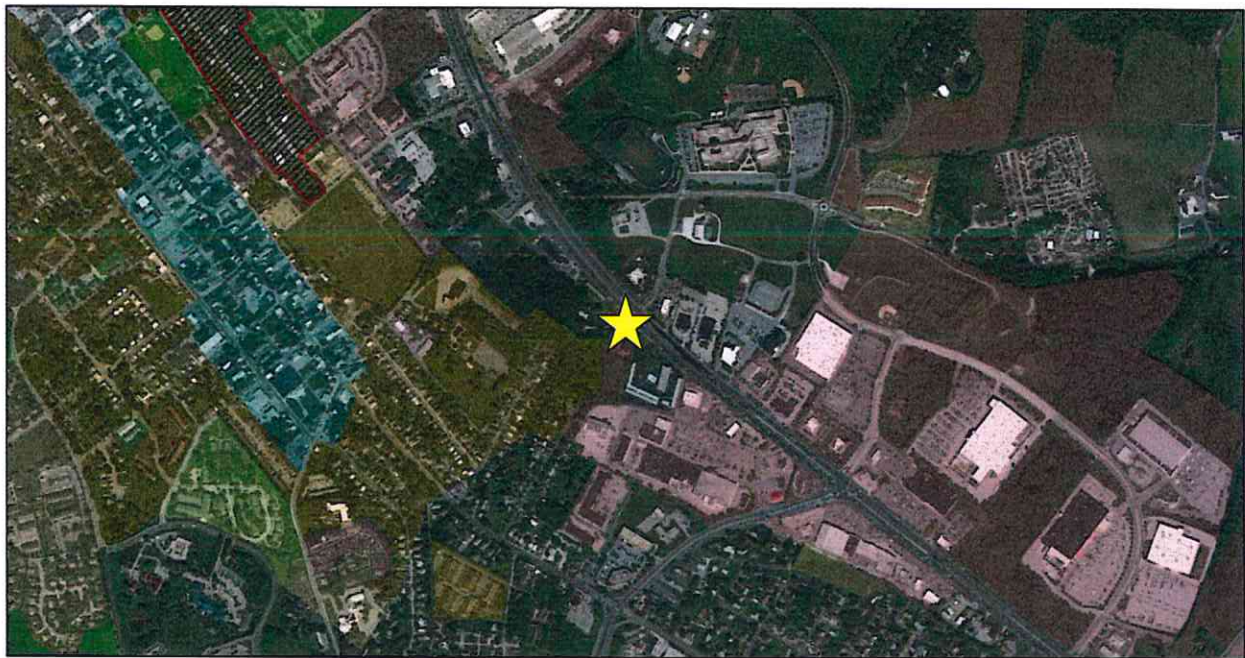
C. SURROUNDING LAND USES

There is a commercially zoned single-family home abutting the subject to the south which will share a non-exclusive right of way with the oil change facility. Directly adjacent to the subject on the south side of MD-140 is a 117-room hotel which is zoned C-3 (Commercial High Intensity District) as well as the nearly 200,000 sq. ft. 140 Village Shopping Center which is zoned B (Business). Across MD-140 to the north is an Olive Garden restaurant, a McDonald's and two office buildings which all lie within the C-2 zone. Further north of the subject is Winters Mill High School.

The land that is directly west of the subject along Gorsuch Road is zoned R-7 allowing for the highest density of residential development. There are currently three single-family homes immediately adjacent to the subject, however the remainder of the block is unimproved except for one more home across from the 140 Village Shopping Center and a church at the beginning of Manchester Avenue. Most of the area between MD-140 and Main Street is residential or mixed-use. A zoning map illustrating uses surrounding the subject is provided on the following page.

It is important to note that the subject property is surrounded on three sides by unincorporated lands of Carroll County. The zoning mentioned above for the hotel, shopping center, residential homes, and retail sites and high school are all located outside the incorporated City of Westminster.

Zoning Map



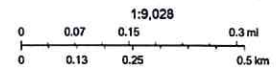
3/22/2020, 11:34:36 AM

Zoning Overlays

Neighborhood Preservation

Property_Zoning

B	D-B	N-C	PD-9
C	I-G	P-I	R-10,000
C-B	I-R	P-RSC	R-20,000
C-C	MUI	PD-4	R-7,500



CC GIS, FMiddleton, JBrown, Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AeroGRID, IGN, and the GIS User Community

Web AppBuilder for ArcGIS
USDA FSA | CC GIS, Jeremy Brown | CC GIS, FMiddleton, JBrown | Jeremy Brown, Andrew Gray | Esri, HERE, IFC |

E. SUMMARY

In summary, the subject property is well situated at the intersection of MD-140 and Gorsuch Road. The proposed design will replace the vacant veterinary office that is currently on the site. Site improvements will include a 2,535 sq. ft. four-bay quick lubrication vehicle shop facility with appropriate parking spaces. The facility will be utilized primarily by residents of the City of Westminster as well as those from surrounding Carroll County communities as they combine trips to this regional shopping destination with other errands. MD-140 serves as a major route which connects communities to I-795 and the Baltimore beltway. Traffic volume passing this intersection is strong with 2018 State Highway Administration data showing 53,360 AADT. The site is located in the center of the City of Westminster's primary retail corridor and is generally surrounded by other commercial establishments as well as the residential communities of downtown Westminster and surrounding suburban neighborhoods. This site is on the edge of the incorporated City of Westminster and has no direct access within the City limits. Rather it is oriented to serve the commercial corridor that passes through and along the City on MD-140.



Existing Veterinary Office Building



Gorsuch Road looking Southeast to subject



MD-140 Southeast from Subject



Three adjacent residences



Retail on opposite side of MD-140



Subject frontage looking Northwest on MD-140



Gorsuch Road looking Southeast from 140 Village Shopping Center



Gorsuch Road looking Northwest from 140 Village Shopping Center

III. NEED ANALYSIS

In this section, Valbridge reviews certain factors which are determinative of the subject's ability to accommodate public need. We estimate total demand for oil change services within the subject's trade area, estimate the subject oil change facility's usage, then draw conclusions regarding accommodation of public need.

A. WESTMINSTER TRADE AREA

We have defined the subject oil change facility's trade area as the area served by Westminster commercial and civic uses, drawing commuters and consumers from the City of Westminster and from throughout the central portion of Carroll County. Westminster has a premier location as a crossroads in Carroll County's highway network. The trade area has the following boundaries: Pennsylvania line on the North; a line approximately equidistant between MD Routes 140 and 26 on the South; a line approximately equidistant between MD Routes 97 and 30 on the East; and a line east of Taneytown following Big Pipe Creek and other geographic features. The trade area contains the following 14 Carroll County census tracts:

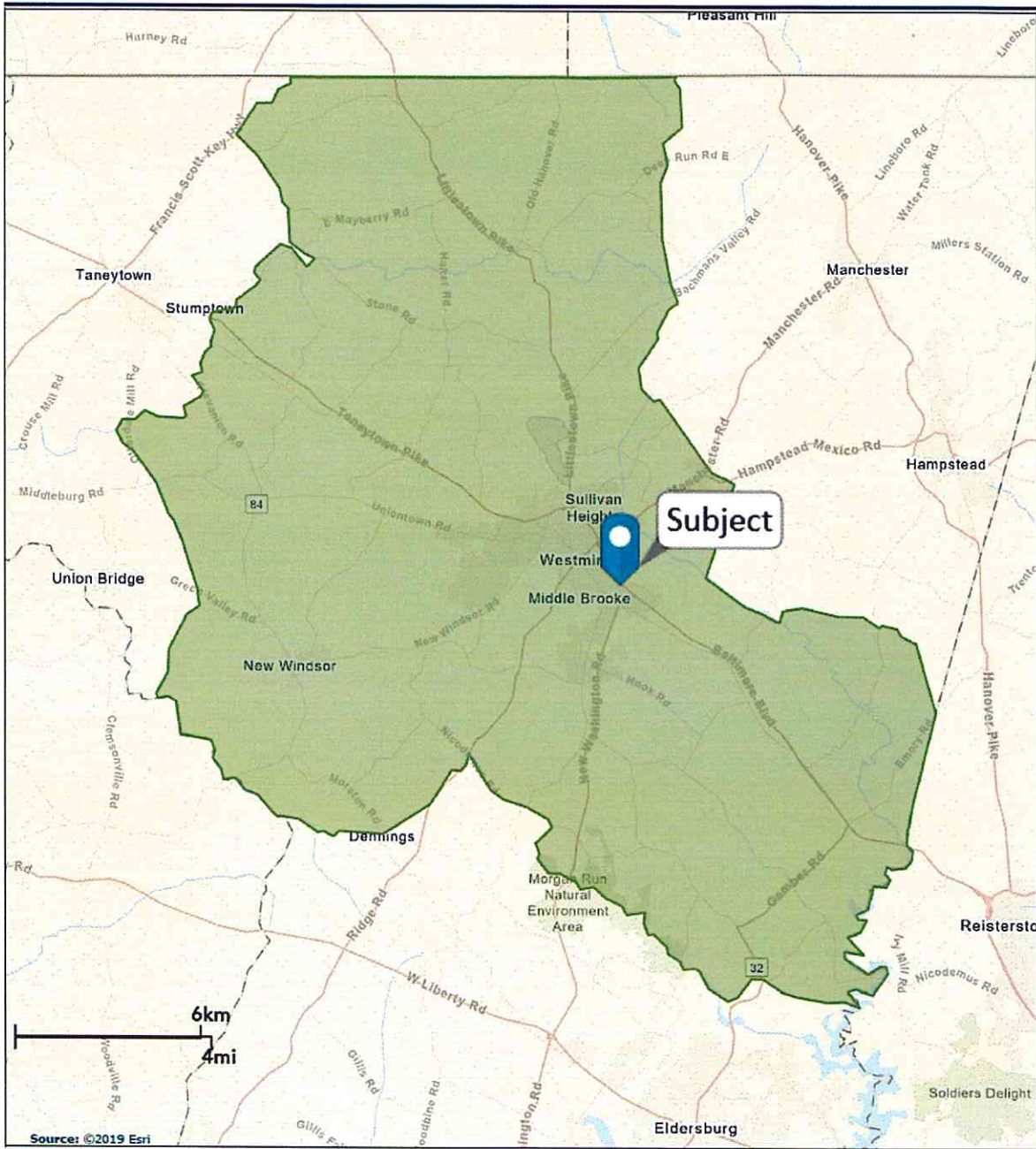
5020	5030	5041	5042.01	5042.02	5075	5076.01
5076.02	5077.02	5077.03	5077.04	5078.01	5078.02	5110

The trade area is depicted on the map on the following page. We have defined the trade area based on two principal factors:

- Commercial Services - The City of Westminster has the highest concentration of commercial services (including vehicle service stations) in Carroll County, serving not only City residents but also residents in surrounding areas. The City is well located within the trade area.
- Highway Network - The City of Westminster is located at a critical crossroads of the northern Carroll County highway network for commuters and consumers. It is served by MD Route 140 (Baltimore Boulevard) running northwest from the Baltimore County line to Frederick County. That route is intersected by MD Routes 27, 31 and 97 in the City. MD-32 links the City to the Eldersburg and Sykesville area to the South.

The Greater Carroll County market area is very attractive for retailers. Focused on the City of Westminster which is the County seat and economic center of the County, the trade area is relatively upscale and has a stable population base. The defined trade area extending outwards from the City reasonably contains the majority of commuters and consumers who are likely to travel through or do their shopping in the City of Westminster. Realistically, residents of other areas also avail themselves of the broad variety of offerings in the City.

Trade Area Map



B. DEMAND FOR OIL CHANGE SERVICES

Demographic Data

We have compiled data obtained from the U.S. Census and Environmental Systems Research Institute, Inc. (ESRI), a respected national demographic and economic research firm, describing demographic trends and socio-economic characteristics of the trade area. Population trends have been as follows:

Demographic Trends				
	2000	2010	2019	2024
Trade Area:				
Population	62,808	67,511	68,940	69,855
Households	22,599	24,823	25,398	25,764
Carroll County:				
Population	150,897	167,134	172,218	174,865
Households	52,503	59,786	61,760	62,775

Source: 2000 and 2010 Census; ESRI estimate, 2019 and 2024.

Using the demographic statistics, we estimate the number of households in the defined trade area at 25,398 in 2019 — with growth of 2,799 households since 2000. Those households have the following socio-economic characteristics:

	<u>Trade Area</u>	<u>Carroll County</u>
Average Household Income (2019)	\$109,828	\$119,216
Average Household Size--Persons (2019)	2.64	2.73
Median Owner-Occupied Home Value (2019)	\$335,409	\$347,730
Estimated Homeownership Rate (2019)	69.2%	74.6%
Average Vehicles per Household (2013-2017)	2.2	2.2
Workers Driving Alone to Work (2013-2017)	84.1%	85.5%
Workers Working outside of Carroll (2013-2017)	42.8%	50.0%
Travel Time to Work 45+ minutes (2013-2017)	36.0%	35.9%

The trade area is populous and is expected to grow by approximately 1.4% through 2024. Its households are relatively affluent for the Baltimore MSA. The Census Bureau's American Community Survey for 2013-2017 estimates that there are 2.2 vehicles per household on average and more than one-third of workers commute more than 45 minutes to work.

Aggregate Household Income

Retail market analysis estimates demand for various goods and services based on the proportion of household income which consumers typically spend on those items. For purposes of our analysis, we have used ESRI's U.S. Consumer Spending data to estimate the average current expenditures by trade area households on lube/oil change services. This data incorporates the latest data from the Consumer Expenditure Surveys (CEX) from the Bureau of Labor Statistics and includes average spending per households for 17 spending categories. The first step is to calculate the aggregate income for the trade area. The trade area's aggregate income is calculated as \$2,789,411,544 in 2019 as follows:

$$25,398 \text{ households} \times \$109,828 \text{ average income} = \$2.78 \text{ Billion Aggregate Income}$$

Estimated Oil Change Services Expenditures

Using 2019 ESRI data, we find that trade area households typically spent \$1,419 annually on vehicle maintenance services while Carroll County households spent an average of \$1,506 per year on vehicle maintenance services. This expenditure category is further separated into purchases of lubrication/oil change services which averaged \$143 annually for the trade area and \$151 for Carroll County. Both these figures align with the overall State average of \$144. Valbridge estimates the total expenditures for lubrication/oil change services as follows:

Total Trade Area Households	25,398
Times: Oil Change Expenditure	<u>x \$143</u>
Total Expenditures	\$3,631,914

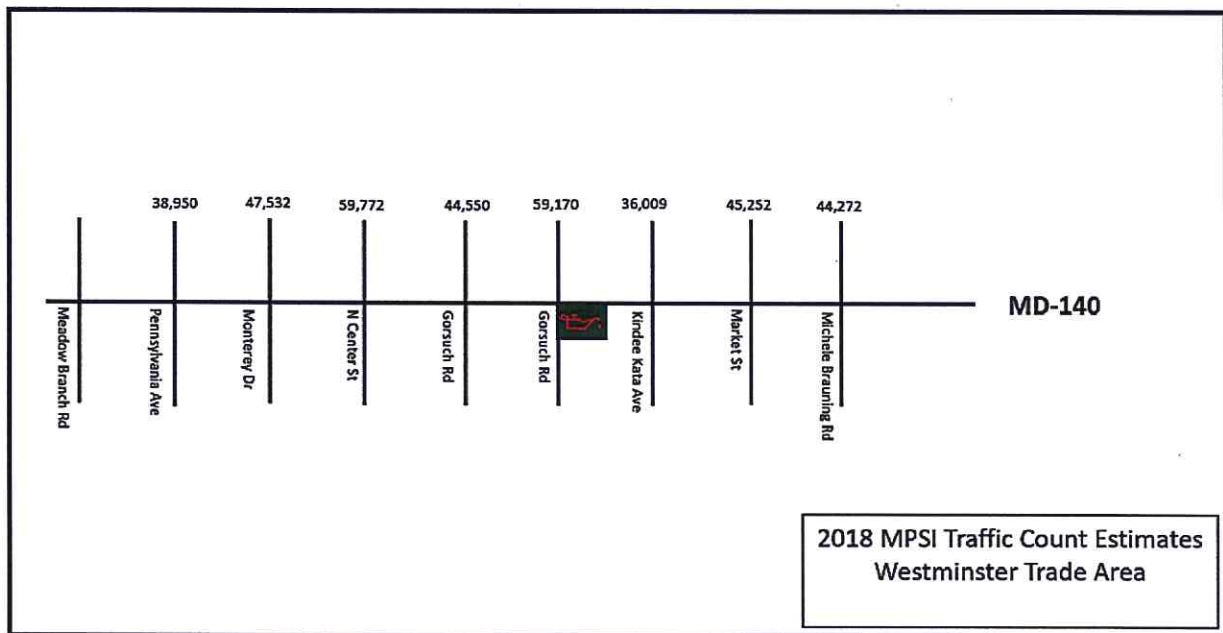
This estimate conservatively assumes that each of the estimated 25,398 households used for 2020 are purchasing approximately the same level of oil change services as in 2019. Given the 1.4% expected overall growth in the number of households through 2024 (roughly 73 households per year), we expect the level of demand for oil change services to remain relatively stable. We note that the average number of vehicles per household in the market area is 2.2 and that many trade area residents are long-distance commuters. With recent declines in the price of gasoline, it is also possible that driver behavior could be altered.

In addition, our estimates only include households residing in the trade area and therefore excludes any pass-thru traffic originating from census tracts outside of the defined trade area. Westminster is the principal retail center for northern Carroll County with destinations such as TownMall and a wide variety of big box stores, drawing consumers from beyond the defined trade area for these shopping needs. In particular, the Taneytown, Manchester and Hampstead areas beyond the defined trade area have populations approximately the same as the trade area and certainly patronize Westminster retailers that do not exist in those markets.

We have also chosen to exclude expenditures attributable to commercial vehicles from our estimates of overall demand given the lack of empirical data regarding the proportion of sales made to these users. We are aware of the presence of this type of demand through our own observations as well as SHA data indicating that approximately 7,060 light trucks pass through this section of MD-140 daily. We assume that small businesses in particular are most likely to use typical oil change facilities such as the subject, since larger construction and trucking companies will more often have their own maintenance locations.

Traffic Volume

We cannot use traffic count data to compute the individual demand impacts of each consumer group because the overall traffic data includes overlap among them. Nonetheless, the table which follows illustrates traffic volumes for various points along the MD-140 corridor to put into perspective the number of vehicles utilizing this route. Data estimates are provided by MPSI (Market Planning Solutions). It is reasonable to assume that there is sufficient traffic to accommodate the proposed subject site based on the provided traffic volume.



C. SUMMARY

The size and shape of the Westminster trade area has been determined based principally on demand for commercial services and the shape of the highway network serving Carroll County. The City of Westminster is a regional retail center and demand for quick lubrication services will realistically draw a number of customers from beyond the trade area boundaries. Trade area households are relatively affluent for the Baltimore Metropolitan area and are for the majority long-distance commuters with more than one-third commuting more than 45 minutes. Nearly half of all trade area households have workplaces outside of Carroll County

In 2020, we estimate that trade area households are annually spending an aggregate of approximately \$3.6 million on lubrication/oil change services (\$143 per household). With a forecasted growth in trade area households of 1.4% through 2024, we expect demand to remain stable going forward. We note that the average number of vehicles per household in the market area is 2.2 and that many trade area residents are long-distance commuters. With recent declines in the price of gasoline, it is also possible that driver behavior could be altered.

Although residents of the Westminster trade area will account for a significant majority of demand, we believe our estimate of \$3.6 million to be conservative as it only reflect households residing within the trade area and excludes any pass-thru traffic originating from census tracts outside of the defined trade area. Our estimate of overall demand also excludes expenditures attributable to commercial vehicles given the lack of empirical data regarding the proportion of sales made to these users. Regardless, we find that there is strong demand within the Westminster trade area for quick lubrication vehicle services.

IV. TRADE AREA SUPPLY

In this section Valbridge evaluates the proposed quick lubrication vehicle shop operation in the context of its competitive environment—in Carroll County generally and also within the defined Greater Westminster trade area. The primary trade area is defined as 14 census tracts that represent the local residential and commercial community associated with the City of Westminster and the MD-140 corridor. In addition to our observations, we have consulted various sources including the Maryland Department of Assessments & Taxation (SDAT), CoStar Realty Group's commercial multiple list system and others to better describe the competitive supply in the Westminster area.

A. AUTOMOBILE SERVICE STATIONS

Westminster zoning regulations define an automobile service center as, "Any area of land, including buildings and other structures, that is used to dispense motor vehicle fuels, oil and accessories at retail, where minor repair service is incidental and where no storage or parking space is offered for rent."¹ The special exception standards also state that a lack of probability of a reasonable public need exists if:

- (a) An automobile service station within one mile on the same side of the road, except at intersections.
- (b) The presence of two service stations within the four quadrants of an intersection, including ½ mile from the center of the intersection in any direction.²

The definition of an automobile service center in the Westminster zoning code is very broad, when considering the wide variety of specific automobile related service and parts retailers. This proposed use is very narrow, in that the quick-lube oil change facility does not do traditional auto repair, that requires appointments, vehicle drop-offs and tow truck operations. This use is designed to support the consumer with the convenience of stopping through to get an oil change and/or other incidental services while on the way to other destinations. The use is principally a retail operation in that regard. Customers are typically in the service bay for approximately 12-15 minutes, and do not leave their car to go to a waiting room. Consumer behavior is similar to a drive-through restaurant, wherein if they have time and a need to get the service, they will stop through, and if there is a line, they will stop by at another time. At the national average of 13,500

¹ §164-3. Definitions and word usage, Zoning and Subdivision of Land, City of Westminster, p14.

² §164-149.A.(4) Automobile service stations, Zoning and Subdivision of Land, City of Westminster, p184.

miles per year driven, the typical customer will stop through two to three times per year, per automobile (based on an oil change interval of 4,500 miles).³

Therefore, Valbridge chose to analyze only those facilities which are in direct competition with the subject for customers seeking expedient oil change services. Although performing oil changes is the main service being offered at the subject, the large variety of vehicle makes and models on the road today requires business owners to stock thousands of dollars' worth of inventory including multiple oil types, oil filters, windshield wipers, light bulbs and other fluids. All the services offered at Valvoline are done with the customer remaining in the car. These services include filter replacements, wipers, light bulbs and tire rotation. These services are not available to all makes and models, based on the specific requirements of some brands and the preservation of the "quick" component of the service model at these facilities.

While we have observed full-service garages in the trade area offering oil change services, most customers intentionally visit those shops seeking particular repairs or to purchase an entire set of new tires, both of which are big-ticket items that require an appointment and dropping of the vehicle for some time or days. Oil change services at full-service garages are often loss-leaders designed to attract new customers and provide an opportunity for a garage to do an inspection of a car and recommend other necessary repairs. Quick lubrication facilities are more likely to see a customer at least twice per year while a full-service garage or tire shop could wait three or more years before making another sale to the same person. Modern quick lubrication vehicle oil change facilities have been designed to minimize the time spent servicing each vehicle and extensively highlight this in their advertising. Many locations now feature basement construction so that routine maintenance services such as inflating tires, adjusting fluids, changing filters and replacing light bulbs can be completed while another employee works from below. Full-service garages and tire shops frequently require scheduled appointments and have adequate parking to accommodate customers who wish to drop off their vehicles.

B. WESTMINSTER AREA

Considering that the subject will not dispense motor vehicle fuels, provide major repair services or maintain retail floorspace dedicated to the sale of auto parts and accessories, we have included only those establishments which fall under the Institute of Transportation Engineers' (ITE) classification of a Quick Lubrication Vehicle Shop. The ITE description of a Quick Lubrication Vehicle Shop is as follows:

"...a business where the primary activity is to perform oil change services for vehicles. Other ancillary services provided may include preventative maintenance, such as fluid and filter changes. Automobile repair service is generally not provided."

³ Valvoline Instant Oil Change System.

We have included facilities from throughout Carroll County to provide context of the overall need for expedient oil change services. The competitive supply within the trade area is considered core facilities as they are important for serving demand derived from throughout the County. As available, the areas of each Quick Lubrication Vehicle Shop improvements and parcels have been taken from SDAT assessment records for the sake of consistency. We find that there are three other existing facilities located throughout Carroll County:

- Jiffy Lube – 385 N Center Street, Westminster – located in the Cranberry Square shopping plaza, this is the closest competitor to the subject. Built in the early 1990s, this facility originally had three service bays and a car wash. The car wash has been converted to an additional service bay. This is the only facility located within the subject's trade area.
- Jiffy Lube – 1951 Dickenson Road, Eldersburg – this facility is located at the intersection of Liberty Road and Monroe Avenue across from a Weis supermarket. The facility was constructed in 1997 and is approximately 2,070 sq. ft. with two service bays and a waiting area.
- Jiffy Lube – 1001 Twin Arch Road, Mount Airy – located in the Twin Arch Shopping Center off Route 27, this facility is adjacent to a High's gasoline station and was built in 1989. The facility has two service bays and a carwash.

Evaluation

Of the surveyed facilities, only one was within the boundaries of the defined trade area. None of the facilities were built in the last decade and all adhere to the same Jiffy Lube franchise design format which requires customers to exit their vehicles. Two of the facilities have two service bays while the Jiffy Lube in Westminster has four. The facilities are either positioned as pad sites within a shopping center or are proximate to a concentrated retail corridor. Given the geographic scale of the County each facility effectively services a different target market and are located on major roadways which extend radially outwards from Baltimore City. Additionally, our research did not find any Quick Lubrication Vehicle Shops between the City of Westminster and the Pennsylvania border.



385 N Center Street, Westminster
Cranberry Square Shopping Center

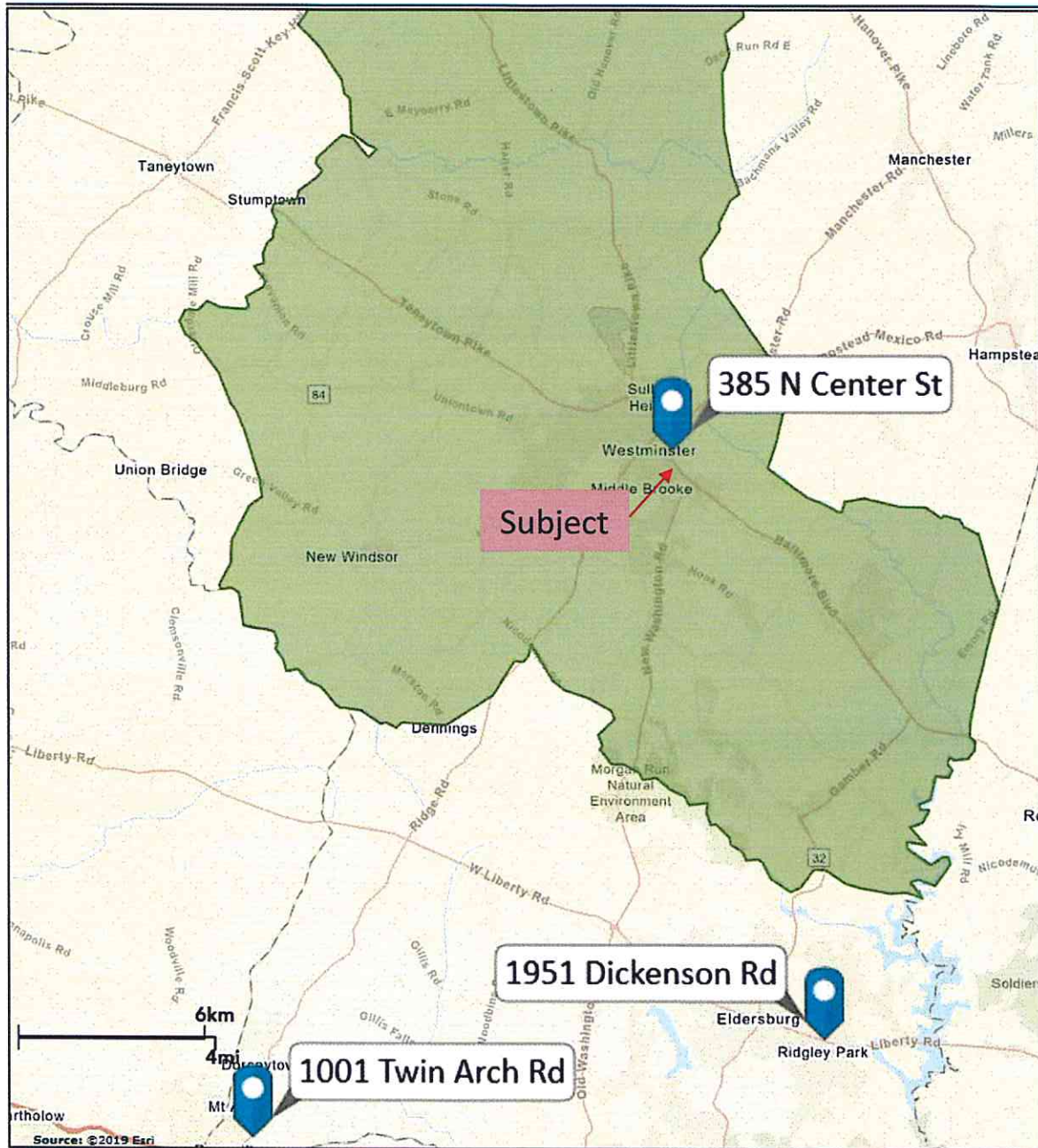


1001 Twin Arch Road, Mount Airy
Twin Arch Shopping Center



1951 Dickenson Road, Eldersburg

Existing Supply



C. CURRENT PERFORMANCE

Without exact sales figures or information regarding what proportion of sales are directly attributable to oil change services from each competitor, we have estimated the total capacity of these three existing stations using the assumption that each is operating at maximum efficiency. The typical Jiffy Lube location surveyed was open 71 hours per week which consisted of 11 hours per day on weekdays and seven to nine hours on the weekends. An extremely optimistic view that all service bays will have a non-stop flow of customers and will take an average of 15 minutes to complete an oil change, then each bay can complete 284 oil changes per week or roughly 40 per day. If the vehicle turnover time is increased to 30 minutes to account for wait times, then a typical bay can complete 142 oil changes per week or 568 oil changes per month. This figure is more realistic and aligns with national industry data which indicates that typical facilities perform about 1,200 oil changes per month. We have calculated the capacity for each facility under this more realistic conservative approach are as follows:

385 N Center Street – 4 service bays x 142 oil changes per week x 52 weeks = 29,536 per year

1951 Dickenson Road – 2 service bays x 142 oil changes per week x 52 weeks = 14,768 per year

1001 Twin Arch Road – 2 service bays x 142 oil changes per week x 52 weeks = 14,768 per year

Total capacity = 59,072 oil changes per year

Based on household data as provided in the previous chapter, we know that there are approximately 25,398 households (55,876 vehicles) currently residing within the Westminster trade area and around 62,775 households (138,105 vehicles) within Carroll County. There is one quick lubrication shop within the defined trade area at 385 N Center Street. Under performance assumptions which most closely align with national industry data, this facility is estimated to have a total capacity of 29,536 oil changes per year. Dividing this single facility's capacity by the total number of trade area households restricts each household to slightly more than one visit to this facility per year. Knowing that trade area households possess 2.2 vehicles on average and each vehicle will require an oil change between two to three times per year based on a 4,500-mile service interval demonstrates an overwhelming volume of unmet demand. Even under the most optimistic performance assumptions which would reduce service times to fifteen minutes per vehicle and double the capacity of this sole facility, there would still be a shortfall of two to four required oil changes by each household annually. It is clear, then, that trade area households are fulfilling their oil change needs at the various full-service garages, tire dealers, dealerships or DIY self-service.

D. SUMMARY

Trade area households are being forced to have their oil change service needs fulfilled at full-service garages and tire shops due to a lack of capacity. These establishments are often less convenient and are not intentionally visited unless the customer is seeking vehicle repairs or to purchase an entire set of new tires, both of which are big-ticket items that require an appointment and vehicle drop off. Oil change facilities such as the subject are more likely to see a customer at least twice per year while a full-service garage or tire shop could wait three or more years before making another sale to the same person.

We consider the subject to be a "Quick Lubrication Vehicle Shop" with features such as basement construction and minimal parking spaces. This design highlights the businesses' emphasis on expedient service in contrast to a full-service garage and tire shops which frequently require appointments and allow customers to drop off their vehicles. There are only three facilities throughout Carroll County which we believe are directly comparable with the subject and only one of these is located within the Westminster trade area. All three facilities operate under the Jiffy Lube brand name and given the geographic scale of the County each facility effectively services a different geographic target market.

The existing capacity for quick oil change services within the trade area is estimated at 29,536 oil changes per year, yet there are approximately 56,000 vehicles possessed by these households requiring two to three annual service visits per vehicle. Even under the most optimistic performance assumptions which would effectively double trade area capacity, households are still restricted to slightly more than two annual oil changes per year in contrast to the necessitated four to six oil changes.

We therefore find that the addition of the subject will be convenient and serve the needs of households within the City of Westminster and surrounding areas. There have been zero quick lubrication shops built in the last decade throughout Carroll County and the subject would be an expedient alternative in comparison to the full-service garages and tire shops which are currently absorbing this unmet consumer demand.

V. POTENTIAL IMPACT ON PROPERTY VALUES

The subject site is a unique property located in a unique setting:

- ✓ On a mixed-use road at an intersection with a divided commercial highway;
- ✓ Surrounded on three sides by unincorporated lands of both commercial and residential zoning;
- ✓ Designation as housing for older persons in the City Comprehensive Plan, but zoned completely business;
- ✓ No direct access to incorporated City streets or uses.

This site is located on the southwest side of MD-140, a divided, multi-lane arterial highway with signalized intersections at all cross streets in the approximately 5.5-mile length through the City of Westminster. The MD-140 corridor through the City is decidedly commercial especially between the interchange of Westminster Crossing shopping center in the North and the used car dealership south of the City at 1203 Baltimore Blvd – a stretch of approximately 3.1 miles. The subject site is located slightly north of the midpoint of this commercial strip.

The 2009 Westminster Comprehensive Plan identifies the site as Housing for Older Persons⁴, assuming an assemblage with the larger parcel uphill and to the rear of this frontage lot. However, zoning is designated Business and the housing for older persons comprehensive plan designation has no commensurate zoning designation other than high density residential, making it too narrow to be legally implemented on a specific property. The future land use of potentially annexed land calls for Urban Residential, high-density residential uses on the lands northwest of the subject site, as well as the continuation of the commercial land uses to the South and across MD-140.

Valbridge has analyzed the corridor and determined that there is a total of five single family homes proximal to the highway. Four on Gorsuch Road just northwest of the site and four on the opposite side of MD-140 on Old Gorsuch Road, between the high school and MD-140. None of these homes front directly on MD-140 and all are surrounded by non-residential or vacant land uses.

Our conclusion is that this use is consistent with the land uses prevalent on the MD-140 strip

⁴ "Land within the Housing for Older Persons designation is generally located in existing neighborhoods where there is adequate vacant land available for high-density senior housing. This type of development will afford older persons the opportunity to live in a convenience-driven community that provides larger housing units and preserves personal independence in the home environment." 2009 Westminster Comprehensive Plan, p85.

through Westminster. The activity proposed for this land use offers no more inherent adverse impact on the adjacent land uses, than it would at any other location along this strip or anywhere else in this particular zoning district. This use is appropriate for the site based on the 2009 Westminster Comprehensive Plan and also the 2014 Carroll County Master Plan, as amended. This site was previously a commercial use and there are other high-traffic existing commercial uses in the neighborhood (ice cream, gasoline station, restaurants, tobacco store, motel, shopping centers, etc. – there is no means by which it could be discerned that this proposed use would have any more adverse effect than any other existing use in the community.

APPENDIX A

Consultant Qualifications

Valbridge Property Advisors

Valbridge is the largest national commercial real estate valuation and advisory services firm in North America with more than 675 professionals in 70 offices. We are a multifaceted, independent real estate consulting and appraisal firm covering all property types, including special-purpose and services from site acquisition to market feasibility to valuation. Our Marriottsville, Maryland office employs 13 professionals, of which three hold the MAI designation and other advanced degrees. Professional licenses are held by various members of the firm in Maryland, District of Columbia, Pennsylvania, Delaware and Virginia. Academic degrees and professional designations are combined with hands-on real estate investment, development and ownership expertise--offering our clients many decades of accumulated counseling and valuation experience.

We provide clients with objective advice and practical assistance at every stage of decision-making on the development, use or reuse of all types of real estate. Our clients include corporations, institutions, real estate owners, builders, developers, and government entities. Our professional staff has an exceptional capability to use a vast array of information and resources to assist clients in making sound, timely decisions through the real estate planning, financing and development process.

Edward M. Steere, AICP

Edward M. Steere, AICP is the senior consultant who completed this assignment. Mr. Steere has a broad professional background in planning and real estate acquired over 30 years in the industry including: site design, entitlement, research, sales and marketing, development, financing and appraisal. His advisory assignments have encompassed: market and financial feasibility analyses of major real estate projects; land acquisition and marketing for residential development; tax-motivated and conventional financing for single family and multifamily residential projects; and advising public, non-profit and private clients concerning real estate decision-making. Mr. Steere is qualified in analyzing the multitude of issues relating to residential and commercial real estate development, including: demographic and economic trends, financial analysis and property valuation, economic and fiscal impacts. Mr. Steere has conducted real estate and market feasibility analyses throughout the Washington-Baltimore region. He has testified before administrative bodies concerning the public need for various kinds of commercial facilities and other planning issues in many of the jurisdictions in the Washington-Baltimore region.